



COMMITTEE ON  
**EDUCATION  
& LABOR**  
REPUBLICANS

**COMMITTEE  
STATEMENT**

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**Opening Statement of Rep. Rick Allen (R-GA), Republican Leader  
Subcommittee on Health, Employment, Labor and Pensions Hearing:  
"Examining Pathways to Build a Stronger, More Inclusive Retirement System"  
June 23, 2021**

(As prepared for delivery)

"We all want a long and happy retirement. Individuals work for decades and diligently save money to have peace of mind for when they retire.

And for decades, this Committee and Congress has come together in a bipartisan fashion to address the financial needs of our nation's workers and retirees. The *Pension Protection Act of 2006* strengthened protections for workers owed pension benefits, and the *Multiemployer Pension Reform Act of 2014* established a responsible and balanced process to save multiemployer pension plans projected to run out of money.

The bipartisan approach continued last Congress. Republicans and Democrats worked together to pass the SECURE Act in 2019, which empowered small businesses to offer retirement plans through open multiple and pooled employer plans. The bipartisan CARES Act allowed workers to tap into their retirement savings without penalty to offset pandemic-induced hardships.

However, earlier this year, Democrats went in a different direction and used pandemic relief as an excuse to bail out failing multiemployer pensions without any structural reforms to hold unions and businesses accountable for the mismanagement of their pension plans. Taxpayers are now on the hook for this \$86 billion bailout. Asking hardworking taxpayers to foot the bill for a contract between private parties is unsustainable and an abuse of the public's trust.

Democrats are doing workers and retirees a great disservice by defending outdated defined benefit, multiemployer pension plans. Our nation's economy and workplaces have evolved, but these pension plans have not evolved along with them. The simple fact of the matter is that most of these plans can no longer fulfill their promises. Ninety-six percent of multiemployer plan participants are enrolled in pensions that are less than 60 percent funded.

Instead of modernizing outdated policies, Democrats continue to double down on failed pension arrangements. They depend on taxpayers not to notice that they are now on the hook for decades of mistakes made by entities with a track record of mismanagement. We must empower individuals to make the best financial choices for their own unique situation. Republicans trust the American worker; we believe every worker and retiree knows how best to save and spend their own money.

Defined contribution plans present employees a flexible pathway to realize their retirement goals. There are numerous reasons why defined contribution plans like a 401(k) are more advantageous for employees.

Defined contribution plans are immediately the property of employees, can be tailored to the precise retirement needs of the worker, and will never require a taxpayer bailout. Furthermore, defined contribution plans are portable. Individual accounts travel with the worker as the person finds new jobs. These flexibilities are crucial in the modern economy.

I see room for bipartisanship and commonsense policy updates, and this committee must lead the way in working together to expand on the SECURE Act and ensure that Americans are secure in their retirement. One way we can help Americans secure a comfortable retirement is by making it easier for them to save part of their paycheck earlier in their working life. As this Committee considers updates to ERISA, we must focus on expanding access to defined contribution plans, increasing retirement options for employees of small businesses, making plans more transparent, and eliminating the need for future taxpayer-funded bailouts of special interests.

This Committee has a long history of working together in a bipartisan way to address the retirement security needs of America's workers and retirees. We need to return to that model by adopting evidence-based, balanced and fiscally

responsible solutions moving forward. This approach, accompanied by policies to ensure a growing and vibrant economy, will do far more to help America's workers and retirees in the long run."

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